

FAX TRANSMISSION COVER SHEET

MARYLAND DEPARTMENT OF THE ENVIRONMENT
WETLANDS AND WATERWAYS PROGRAM
MONTGOMERY PARK BUSINESS CENTER
1800 WASHINGTON BOULEVARD, SUITE 430
BALTIMORE, MD 21230-1708

DATE: 7-5-07

PLEASE DELIVER THIS FAX DOCUMENT TO:

NAME: Christopher Dierz

ADDRESS: _____

PHONE NUMBER: _____ FAX NUMBER: 716-434-7514

COMMENTS: _____

FAX DOCUMENT SENT BY:

NAME: Elder Ghigiarelli, Jr.OFFICE PHONE NUMBER: 410-537-3763
FAX NUMBER: 410-537-3751

3 PAGES ARE BEING TRANSMITTED (INCLUDING THIS COVER SHEET)
If you do not receive all the pages, please notify the sender at the office number
listed above.

**MARYLAND DEPARTMENT OF THE ENVIRONMENT**

1800 Washington Boulevard • Baltimore MD 21230

410-537-3000 • 1-800-633-6101

Martin O'Malley
GovernorShari T. Wilson
SecretaryAnthony G. Brown
Lieutenant GovernorRobert M. Summers, Ph.D.
Deputy Secretary

July 5, 2007

Christopher H. Diez
Vice President
AES Sparrows Point LNG, LLC
Mid-Atlantic Express, LLC
140 Professional Parkway, Suite A
Lockport, New York 14094

RE: AES Sparrows Point LNG and Mid-Atlantic Express, LLC/
Proposed Dredging and Pipeline

Dear Mr. Diez:

The purpose of this letter is to inform you of the status of the Maryland Department of the Environment's (MDE) review of the response provided by AES, dated May 31, 2007, to MDE's request for additional information on the proposed impacts to tidal wetlands, and nontidal wetlands and waterways, resulting from the proposed dredging and pipeline construction. Although MDE's review of the AES response is ongoing, based on our review to date additional information/clarification will be required, particularly with regard to the proposed recycling facility/disposal of the dredged material.

For example, MDE continues to have serious concerns with the end-use of the recycled dredged material, the fact that the treatment does not remove contaminants, and the likely use of the material will be for landfill capping, Brownfield site, and quarry and mine reclamation. MDE asked whether AES had considered how the addition of a bulking factor and additives will increase the amount of material to be disposed. AES responded with a one-sentence reply that it had considered that, but provided no data that would enable MDE to determine what portion of the treated material would consist of additive and what portion would consist of dredged material. Given the elevated contamination levels in the dredged material, a clarification or elaboration on AES's response is important to the Department's review of this project.

Similarly, with regard to the proposed pipeline, MDE will require additional information with regard to avoidance and minimization measures at wetlands and waterway crossings. In its application, AES simply stated that crossing designs would be

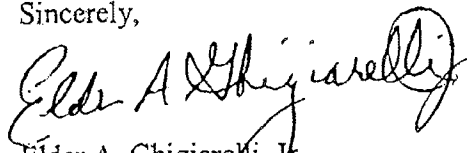


Christopher H. Diez
July 5, 2007
Page 2

developed by its construction contractor. After MDE indicated that that was not acceptable, AES submitted additional design information, but further information will be required as the precise location of wetlands and waterways within the pipeline corridor is verified in the field.

Accordingly, MDE has determined that the information submitted to date is insufficient with regard to proposed impacts to wetlands and waterways. A detailed letter in response to your submittal will be forthcoming. As we have discussed, the inadequacy of the information provided by AES makes it impossible for MDE to concur with AES's consistency certifications with respect to this project. If AES reconsiders its recent refusal to stay the 6-month coastal zone consistency timeclock, please contact me at (410) 537-3763, or by e-mail eghigiarelli@mde.state.md.us. Thank you for your attention to this important matter.

Sincerely,



Elder A. Ghigiarelli, Jr.
Deputy Administrator
Federal Consistency Coordinator
Wetlands and Waterways Program

EAGJr:cma

cc: Joe DaVia, Corps
Joanne Wachholder, FERC
Tressa Ellis, MDE